

TRANSCRIPT PREPARED BY THE CLERK OF THE LEGISLATURE
Transcriber's Office
FLOOR DEBATE

April 25, 2001 LB 536

programs such as this. And so what I've tried to do here with this amendment is provide a funding mechanism using 20 percent of the LUST Fund, which is the Leaking Underground Storage Tank Fund, to help fund the ethanol credit program. The ethanol...currently, the LUST Fund generates about \$10.5 million a year, that's based on a nine-tenths per gallon tax on gasoline, three-tenths of a cent per gallon on diesel, generates about \$10.5 million a year. What this amendment would do is create about \$2.1 million, transfer that to the EPIC Fund, which is what Senator Dierks has named the fund for the ethanol tax credits, \$2.1 million, which would relieve the General Fund problem that we have. What it also does is it eliminates the gluten tax, that's about \$900,000 a year, so the net effect on the General Fund would be about \$1.2 million that would be relieved by passing this amendment. With that, Mr. President, I'll yield my time back to the Chair.

SPEAKER KRISTENSEN: Thank you, Senator Bruning. Debate on the Bruning amendment? Senator Cunningham.

SENATOR CUNNINGHAM: Too much electricity here. Thank you, Mr. Speaker and members of the body. I'm going to speak just on the bill right now. I want to tell you something about what ethanol does for agriculture in Nebraska. Right now there are seven ethanol plants in Nebraska with the combined capacity of 360 million gallons annually. Nebraska ethanol production and its coproducts create a market for more than 200 million bushels of Nebraska corn each year. Ethanol production is the third largest user of Nebraska corn, only behind livestock and export markets. These ethanol plants also create good rural jobs. The Nebraska Department of Economic Development estimates the ethanol industry is responsible for 800 direct jobs with an average salary of \$40,000 per year, and 4,500 indirect jobs in construction, transportation, maintenance, services, et cetera. These jobs and plants increase our state tax receipts. State and local economies benefit from the nearly \$1 billion of capital already invested in existing plants. Additionally, existing plants generate annual payrolls of \$35 million, utility purchases of \$75 million, grain purchases of \$400 million, and general purchases of \$50 million. The plants also pay approximately \$10 million in state and local taxes. So we may